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AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2756

Introduced by Assembly Member Levine

February 24, 2006

An act to add Chapter 5.2.5 (commencing with Section 25423) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2756, as amended, Levine. Energy: efficiency retrofits: State Energy Conservation Assistance Account for Public Schools.

Existing law requires the State Energy Resources Conservation and Development Commission to administer the State Energy Conservation Assistance Account, a continuously appropriated account, in the General Fund until January 1, 2011, to provide grants and loans to local governments and public institutions, as specified, to maximize energy use savings.

This bill would ~~establish the State Energy Conservation Assistance Account for Public Schools in the General Fund~~ *require the Controller to transfer funds from the Ratepayer Relief Fund to an account in the Special Deposit Fund*, to provide grants to eligible institutions, defined as a ~~Kindergarten~~ *kindergarten* and grades 1–12,

inclusive, public school ~~located in an area meeting specified low-income criteria~~ *ranked academically as specified*, for energy conservation projects in existing buildings and facilities. The bill would transfer \$22,235,000 from the Attorney General's Ratepayer Relief Fund to ~~the State Energy Conservation Assistance Account for Public Schools~~ *an account in the Special Deposit Fund for use by California public universities and community colleges*. The bill would authorize moneys in the account, upon appropriation by the Legislature, to be used by ~~the commission~~ *a public university or community college* for the purposes of the bill.

The bill would require the Department of Water Resources to report to the Legislature on or before July 1, 2007, and each July 1 thereafter, on all sums collected and expended for costs associated with siting and installation of certain generating units obtained through an energy settlement agreement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 5.2.5 (commencing with Section
2 25423) is added to Division 15 of the Public Resources Code, to
3 read:

4
5 CHAPTER 5.2.5. ENERGY CONSERVATION ASSISTANCE FOR
6 PUBLIC SCHOOLS
7

8 25423. As used in this chapter, the following terms have the
9 following meanings:

10 (a) "Allocation" means a grant of funds by the commission
11 pursuant to the procedures specified in this chapter.

12 (b) "Building" means any existing structure that includes a
13 heating or cooling system, or both, and includes classrooms,
14 laboratories, dormitories, athletic facilities, administrative
15 facilities, or related facilities at a kindergarten and grades 1 to 12,
16 inclusive, public school in this state. Additions to an original
17 building shall be considered part of that building rather than a
18 separate building.

1 (c) “Eligible institution” means a kindergarten and grades 1 to
2 12, inclusive, public school ~~located in an area meeting specified~~
3 ~~low-income criteria; ranked in deciles 1 to 3, inclusive, on the~~
4 *Academic Performance Index, pursuant to Section 52056 of the*
5 *Education Code, based on the 2003 base Academic Performance*
6 *Index score for each school, as defined in subdivision (b) of*
7 *Section 17592.70 of the Education Code.*

8 (d) “Energy conservation measure” means an installation or
9 modification of an installation in a building or facility that is
10 primarily intended to reduce energy consumption, including
11 retrofit or replacement of heating, ventilation, and
12 air-conditioning systems, appliances, mechanical systems,
13 insulation, windows, and building design and materials.

14 (e) “Energy conservation project” means an undertaking to
15 acquire and to install one or more energy conservation measures
16 in a building or facility, and technical assistance in connection
17 with that undertaking.

18 (f) “Facility” means any major energy using system of an
19 eligible institution whether or not housed in a building.

20 25423.1. (a) Any public university or community college
21 ~~may submit an application to the commission for an allocation~~
22 ~~for the purpose of financing~~ *finance* all or a portion of the costs
23 incurred in implementing an energy conservation project at an
24 eligible institution. ~~The application shall be in the form and~~
25 ~~contain the information that the commission shall prescribe.~~

26 ~~(b) An application may be for the purpose of financing the~~
27 ~~applicant’s~~

28 *(b) Any California public university or community college may*
29 *finance its* or the eligible institution’s share of costs that are to be
30 jointly funded through a state, local, public utility, or
31 federal-local program.

32 ~~(c) The commission shall give preference to energy~~
33 ~~conservation projects in which an eligible institution is working~~
34 ~~in partnership with a community college, California State~~
35 ~~University, or University of California program to provide~~
36 ~~vocational or professional training to university students and to~~
37 ~~demonstrate project benefits to the eligible institution’s students~~
38 ~~and surrounding community.~~

~~25423.2. Applications may be approved by the commission only in those instances where the applicant has furnished information satisfactory to the commission.~~

25423.4. Annually at the conclusion of each fiscal year, but not later than October 31, each applicant which has received an allocation pursuant to the provisions of this chapter shall compute the cost of the energy saved as a result of implementing an energy conservation project funded by the allocation. ~~The cost shall be calculated in a manner prescribed by the commission.~~

25423.6. (a) ~~The State Energy Conservation Assistance Account for Public Schools is hereby created in the General Fund. Moneys~~ *The Controller shall transfer funds from the Ratepayer Relief Fund to an account in the Special Deposit Fund. The money in the account shall, upon appropriation by the Legislature in the annual Budget Act, or other appropriation, be used by the commission a public university or community college for the purposes of this chapter.*

(b) The money in the account shall consist of all money transferred to, or authorized or required to be deposited in, the account by the Legislature.

(c) The money in the account shall be disbursed by the Controller for the purposes of this chapter ~~as authorized by the commission.~~

(d) ~~The commission may provide funds in the account shall be made available to any public university or community college for grants for services to be performed for eligible institutions. Services may include, but are not limited to, curriculum development, materials, professional engineering services, feasibility analysis, project design, field assistance, and operation and training. The amount expended for those services may not exceed 10 percent of the balance of the account as determined by the commission on July 1 of each year.~~

25424. (a) An allocation made pursuant to this chapter shall be used for the purposes specified ~~in an approved application.~~

(b) ~~The commission shall allocate funds to applicants for energy conservation projects~~ *Requests for expenditure authority shall be evaluated* utilizing the following prioritized criteria:

(1) The degree of incorporation of energy efficiency technology into curriculum or efficacy of the energy conservation project to be utilized as a learning tool.

1 (2) The number of energy conservation or efficiency projects
2 and the magnitude of energy efficiency benefits previously
3 implemented by the applicant.

4 (3) Whether the ~~applicant~~ *California public university or*
5 *community college* has designated staff or faculty responsible for
6 coordinating the energy conservation project and the number of
7 similar projects and the magnitude of energy efficiency benefits
8 previously derived under the management of the person or
9 persons designated. This criteria shall consider whether previous
10 projects were performed on or ahead of schedule, whether
11 previous projects were completed on or below budget, and
12 whether the benefits actually achieved *or* exceeded expectations.

13 (4) The effectiveness of the energy conservation project as a
14 demonstration project for other eligible institutions, including
15 integration with existing energy efficiency technologies,
16 proximity to other eligible institutions, and proximity to other
17 educational, civic, and governmental institutions that may
18 undertake similar projects.

19 (5) The amount of energy saved in the short run and over the
20 life of the energy conservation project.

21 (c) In the event that ~~the commission determines it is~~
22 *determined* that an allocation has been expended for purposes
23 other than those specified in an approved application, ~~it shall~~
24 ~~immediately request the return of the California public university~~
25 *or community college shall immediately return* the full amount of
26 the allocation. The applicant shall immediately comply with that
27 request.

28 ~~25424.2. Notwithstanding any other provision of law, this~~
29 ~~chapter provides a complete, separate, additional, and alternative~~
30 ~~method for implementing the measures authorized by this~~
31 ~~chapter, including the authority of the eligible institutions to~~
32 ~~borrow in the future pursuant to loans made pursuant to this~~
33 ~~chapter, and is supplemental and additional to powers conferred~~
34 ~~by other laws.~~

35 25424.4. The Department of Finance, at its discretion, may
36 audit the expenditure of any allocation made pursuant to this
37 chapter or the computation of any payment made pursuant to
38 Section 25423.6.

1 ~~25424.6. In addition to the powers specifically granted to the~~
2 ~~commission by the other provisions of this chapter, the~~
3 ~~commission shall have the following powers:~~

4 ~~(a) To establish qualifications and priorities, consistent with~~
5 ~~the objectives of this chapter, for making allocations.~~

6 ~~(b) To establish procedures and policies as may be necessary~~
7 ~~for the administration of this chapter.~~

8 ~~25424.8. The commission may expend from the State Energy~~
9 ~~Conservation Assistance Account for Public Schools an amount~~
10 ~~to pay for the actual administrative costs incurred by the~~
11 ~~commission pursuant to this chapter. Such amount shall not~~
12 ~~exceed 5 percent of the total appropriation, to be held in reserve~~
13 ~~and used to defray costs incurred by the commission for~~
14 ~~allocations made by the commission pursuant to this chapter.~~

15 SEC. 2. On or before July 1, 2007, and each July 1 thereafter,
16 the Department of Water Resources shall report to the
17 Legislature on all sums collected and expended for costs
18 associated with siting and installation of the LM6000 units
19 obtained through the settlement with The Williams Companies,
20 Inc. and Williams Energy Marketing & Trading Company, made
21 and entered into as of November 11, 2002.

22 SEC. 3. (a) The sum of twenty-two million two hundred
23 thirty-five thousand dollars (\$22,235,000) is hereby transferred
24 from the Attorney General's Ratepayer Relief Fund to ~~the State~~
25 ~~Energy Conservation Assistance Account for Public Schools for~~
26 ~~use by the State Energy Resources Conservation and~~
27 ~~Development Commission~~ *an account in the Special Deposit*
28 *Fund for use by California public universities and community*
29 *colleges for the purposes of Chapter 5.2.5 (commencing with*
30 *Section 25423) of Division 15 of the Public Resources Code.*

31 (b) The Legislature finds and declares that the moneys referred
32 to in subdivision (a) are proceeds from the settlement of litigation
33 with The Williams Companies, Inc. and Williams Energy
34 Marketing & Trading Company, made and entered into as of
35 November 11, 2002, and received for energy efficiency retrofit of
36 schools and public buildings.

37 (c) *It is the intent of the Legislature that all subsequent*
38 *proceeds from the settlement of litigation with The William*
39 *Companies, Inc. and Williams Energy Marketing & Trading*
40 *Company, made and entered into as of November 11, 2002, be*

1 *transferred to the account within the Special Deposit Fund to*
2 *implement the provisions of Chapter 5.2.5 (commencing with*
3 *Sections 25423) of Division 15 of the Public Resources Code.*

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